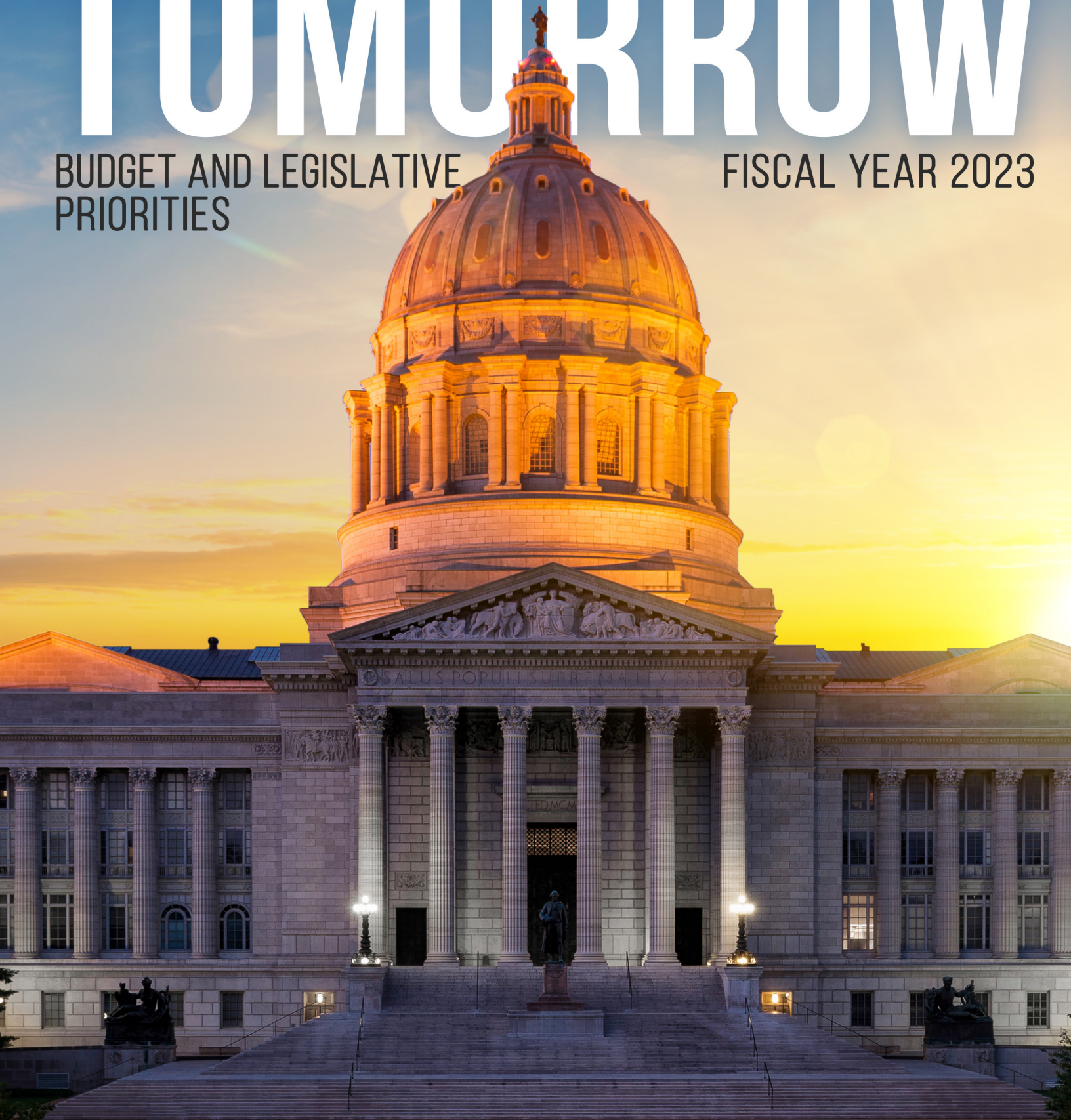


STRONGER TOMORROW

BUDGET AND LEGISLATIVE
PRIORITIES

FISCAL YEAR 2023



STATE CAPITOL
201 W. CAPITOL AVENUE, ROOM 216
JEFFERSON CITY, MISSOURI 65101



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Michael L. Parson
GOVERNOR
STATE OF MISSOURI

January 19, 2022

TO THE GENERAL ASSEMBLY AND THE PEOPLE OF MISSOURI:

These past 22 months have been challenging for many Missourians, but thanks to common sense, a balanced approach, and taking personal responsibility, our economy has recovered.

This year, with the state's strong economic performance and secure financial position, we have the opportunity to make fundamental improvements to our state that will serve Missourians now and into the future. Missouri is strong today but can be even stronger tomorrow.

Our budget outlines proposals to continue improving our infrastructure, including historic investments in roads and bridges, clean water, and broadband. We are expanding our successful workforce development programs, investing in K-12 and higher education, and supporting public safety.

Keeping with past principles, no one is left out or left behind in this budget. Whether they are urban, suburban, or rural, live in the bootheel or the Northwest, work in an office building or on the farm, every Missourian will benefit from these investments.

Our investments in education and workforce development will help provide more Missourians with the knowledge and skills to succeed, and our infrastructure investments will help drive economic growth. Combined, these initiatives will keep Missouri at the top of the list for business investment and continue to provide new opportunities for all Missourians.

Together, we have achieved great success in the past, and by continuing that momentum into the future, we can accomplish even more.

A budget is about priorities, and our administration is confident these are the right priorities to make a strong Missouri even stronger in 2022. We look forward to working together to get this done.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael L. Parson", written over a horizontal line.

Michael L. Parson
Governor

CELEBRATE THE WINS

PARSON ADMINISTRATION 2021 HIGHLIGHTS



GOVERNOR MIKE PARSON AND
FIRST LADY TERESA PARSON

- Celebrated 200 Years of Statehood with Bicentennial Inaugural Parade & Ball, Over 45 Bicentennial Tour Stops Across the State
- Attracted Nearly \$5.2B in Private Investment, Created Over 21,000 New Jobs During the Pandemic
- Unemployment Rate Dropped Below Pre-Pandemic Levels
- Ranked 1st in the Nation for On-the-Job Training Participants
- Ranked 10th in the Nation for Site Selection
- Held State-Supported Regional Mega and Mass COVID-19 Vaccination Sites
- Saw 94% of Missourians 65+ Receive Protection from COVID-19
- Established the Show Me Strong Recovery Task Force
- Protected Citizens from Federal Overreach
- Reorganized Early Childhood Services into the Office of Childhood
- Signed Legislation to Support Missouri Adoptive Families and Children in Foster Care
- Missouri Schools Ranked 5th in the nation for In-Person Learning During the 2020-21 School Year
- Created a Statewide Prescription Drug Monitoring Program
- Signed Wayfair Legislation into Law
- Signed Legislation to Protect Health Care Providers, Businesses, Churches, and Others from COVID-19 Exposure Civil Actions
- Appointed the 1st African American Female Judge to the Missouri Supreme Court
- Proposed \$400M in Broadband Infrastructure Investments
- Celebrated the Completion of the MO-AR I-49 Connector
- Launched Rocheport Bridge Construction
- Established the Missouri Supply Chain Task Force
- Saw 65% Increase in Fast Track Program Participants
- Closed 1,035 Clemency Applications, Granting 188 Pardons and 8 Commutations

STRONGER TOMORROW

Budget & Legislative Priorities
Fiscal Year 2023

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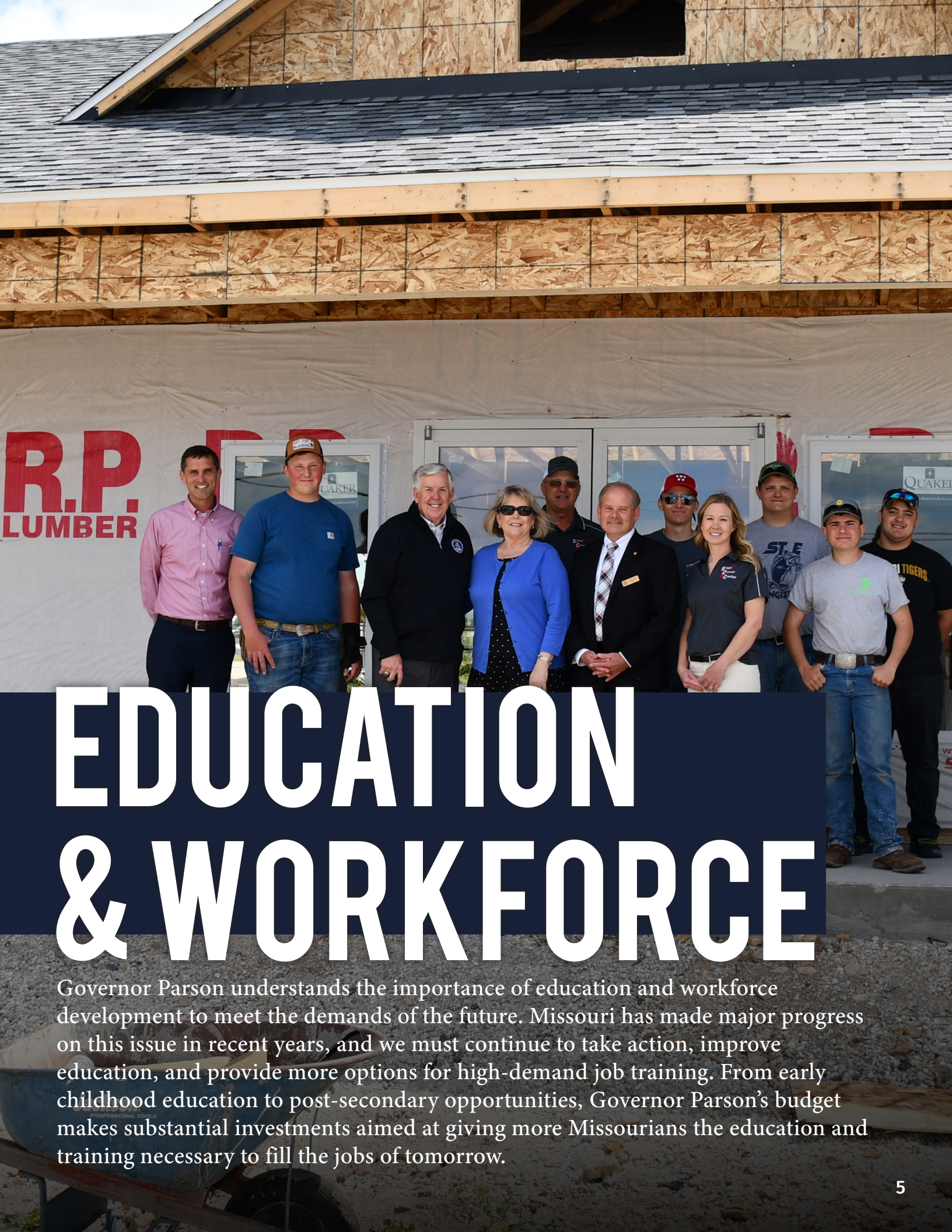
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CELEBRATING STATEHOOD



EDUCATION & WORKFORCE

Governor Parson understands the importance of education and workforce development to meet the demands of the future. Missouri has made major progress on this issue in recent years, and we must continue to take action, improve education, and provide more options for high-demand job training. From early childhood education to post-secondary opportunities, Governor Parson's budget makes substantial investments aimed at giving more Missourians the education and training necessary to fill the jobs of tomorrow.

EDUCATION

CHILD CARE SUPPORT AND INVESTMENTS

\$722M

Strengthening the state's child care network by helping providers maintain or resume operations, developing the child care workforce, and increasing the quality of child care.

HIGHER EDUCATION INSTITUTIONS

\$51.6M

Increasing core funding for the state's four-year higher education institutions, community colleges, and State Technical College of Missouri.

EDUCATOR RECRUITMENT AND RETENTION

\$21.8M

Strengthening teacher recruitment and retention by providing state matching funds to local school districts for an increased baseline educator salary of \$38,000 per year.

A+ SCHOOLS PROGRAM

\$6M

Providing scholarship funds to eligible graduates of A+ designated high schools who attend a participating public community college, public vocational or technical school, or certain private two-year vocational or technical schools.

DUAL CREDIT AND ENROLLMENT SCHOLARSHIPS

\$7M

Funding dual credit and enrollment scholarships for low-income Missouri students up to 50 percent of tuition costs (\$500 annual maximum) of dual credit or dual enrollment coursework each year.

JOBS FOR AMERICA'S GRADUATES (JAG)

\$300,000

Providing school services to help at-risk youth graduate high school and successfully transition to post-secondary education or meaningful employment. JAG, a voluntary in-school program that counts as a high school elective, focuses on core competencies that prepare students for workforce success. This funding will allow JAG to serve more schools.

WORKFORCE DEVELOPMENT

SMALL BUSINESS INVESTMENT

\$94.9M

Supporting small businesses by providing access to capital funding to invest in new enterprises.

MOEXCELS

\$31.5M

Funding the third year of MoExcels projects to facilitate the development of employer-driven workforce education and training programs in high-demand occupations at Missouri's public higher education institutions.

MISSOURI ONE START

\$11M

Supporting regional economic growth and business competitiveness by providing workforce solutions to help employers hire and retain employees in Missouri.

MISSOURI TECHNOLOGY CORPORATION

\$4M

Providing resources to promote entrepreneurship and innovation to foster the growth of new and emerging high-tech companies.

CHALLENGE GRANTS

\$500,000

Expanding the Challenge Grant program that provides job skills training in native habitat restoration and management to underserved youth.





STRONG ECONOMIC RECOVERY

Missouri is strong today but can be even stronger tomorrow.

The COVID-19 pandemic had an unprecedented impact on Missouri's economy. Over the past 22 months, Governor Parson and his administration took a balanced approach to drive economic recovery across the state by supporting Missouri businesses, communities, and citizens. Missouri's approach protected the health and safety of Missourians without sacrificing their livelihoods. Despite the challenges, Missouri has a solid foundation that has helped propel our state to new heights in just a few short years, and has set us on a course to achieve even greater economic accomplishments.

Even during the pandemic, Missouri saw more than 21,000 new jobs created and nearly \$5.2B in private investment. Whether in our small towns, big cities, or anywhere in between, Missouri is open for business, and business is good.

In 2021, we saw new businesses and existing businesses expanding their footprint in Missouri, including:

- Deli Star in St. Louis, with nearly \$100M invested, creating 475 new jobs
- Gateway Studios in Chesterfield, with \$111M invested, creating more than 100 new jobs
- MEMC in O'Fallon, with \$210M invested, creating 75 new jobs
- John Deere Reman in Springfield, with \$10.9M invested, creating 128 new jobs
- Casey's General Store in Joplin, with \$62M invested, creating 125 new jobs
- Carlisle Construction Materials in Sikeston, with \$62M invested, creating 100 new jobs
- Swift Prepared Foods in Moberly and Columbia, with \$255M invested, creating nearly 400 new jobs
- American Foods Group in Foristell, with plans to invest \$450M, creating 1,363 new jobs
- Amazon in Republic, creating 400 new jobs
- Frozen Food Express in Butler, with \$6M invested, creating 60 new jobs
- CoffeeTree Group in Marcelline, creating 50 new jobs



Creating Carin

Job Placement Community Organizing

Health Services Mental Health Site Construction

Out of School Literacy Data/Evaluation

Virtual Training Mentorship

Safe Schools

Mentorship

Mental Health

Chemical

STRONGER COMMUNITIES

As a former sheriff, and having served in law enforcement for more than 22 years, Governor Parson is committed to protecting and strengthening Missouri communities and supporting law enforcement. To make real change, we must continue to invest in issues that provide individuals with more opportunities, strengthen public safety, and improve the health and well-being of Missourians. Governor Parson's budget calls for numerous investments in public safety to help build stronger communities and broaden the path to success for the communities we serve.

988 CRISIS HOTLINE

\$28.5M

Implementing the 988 Crisis Hotline to serve as the emergency hotline for mental health crises. This provides increased capacity at the seven regional crisis call centers and 45 crisis mobile teams throughout the state.

SUBSTANCE USE RESPONSE

\$10.9M

Providing grants for local governments to utilize in fighting the opioid epidemic, as well as expanding naloxone supply throughout the state to help prevent overdose deaths.

911 DISPATCH CENTERS

\$4.4M

Modernizing the Missouri State Highway Patrol network to improve public safety by enhancing data sharing capabilities with other agencies.

TELEHEALTH VICTIM SERVICES

\$4M

Creating a 24/7 telehealth network for medical providers to access mentoring, consultation services, guidance, and technical assistance related to forensic examinations for victims of sexual offenses.

MENTAL HEALTH COMPETENCY RESTORATION UNIT

\$2.8M

Expanding care and treatment for individuals at the St. Louis Forensic Treatment Center – North facility who are found by courts to be unable to proceed to trial.



LOCAL EMERGENCY PLANNING GRANT

\$2M

Assisting communities in responding to disasters and providing resources to local planning agencies to proactively reduce risk and facilitate repair and recovery efforts.

CRIME VICTIM ALERT PORTAL

\$1.2M

Streamlining communication systems to help promptly notify law enforcement and victims of violent crime of changes in an offender's custody status.

LAW ENFORCEMENT ACADEMY SCHOLARSHIPS

\$1M

Providing scholarships for individuals to attend law enforcement academies, with a three-year service commitment.

EMERGENCY RESPONSE RADIO TOWERS

\$820,000

Continuing a 20 year maintenance plan to replace critical radio communication towers across the state.

CRISIS COUNSELING FOR LAW ENFORCEMENT

\$550,000

Funding ongoing mental health and crisis intervention services for law enforcement officers.

ECONOMIC DISTRESS ZONE FUND

\$550,000

Providing funding to deter criminal behavior in areas with high crime rates.

TREATMENT COURTS

\$152,000

Offering alternatives to traditional sentencing practices for individuals entering the criminal justice system with substance use disorders and mental illness in Jasper County.

A STORY OF
Success

HONORING FIRST RESPONDERS

For the first time, Missouri will begin honoring first responders who are seriously injured in the line of duty as they carry out their official responsibilities. Governor Parson recommended, and the Missouri Medal of Valor Review Board approved, the addition of the Missouri Red, White and Blue Heart Award to the annual state public safety awards.

The new award is intended to recognize first responders who sustain injuries that require long-term treatment by a medical professional and involve considerable loss of time from duty. First responders courageously and selflessly risk their lives each day to apprehend criminals and protect their fellow Missourians, too often suffering serious injuries or even death because of their heroic actions.

The Red, White and Blue Heart Award will be the first state award recognizing Missouri peace officers, firefighters, paramedics, EMTs or other emergency first responders whose extraordinary actions to protect others lead to serious injuries or death in the line of duty.



HEALTH CARE

Governor Parson is committed to ensuring all Missourians have access to skilled health care professionals. Governor Parson's continued investments in health care are designed to help Missourians who might otherwise lack access to quality care. A key part of this is strengthening access to services for the most vulnerable citizens across our state.

PROVIDER RATES AND VALUE BASED PAYMENTS

\$955M

Standardizing rates and incentivizing providers to improve the quality and value of care delivered to the most vulnerable Missourians. This includes \$411.0 million for providers of developmental disability services, \$9.9 million for providers of behavioral health services, \$317.8 million for home and community based service providers, and \$215.6 million to rebase nursing facility rates.

VETERANS HOMES

\$23M

Increasing support for Missouri veterans and Veterans Homes operations across seven facilities statewide.

MISSOURI AUTISM CENTERS

\$4.2M

Increasing available funding to more than double the capacity at Missouri's six autism centers.

FULTON STATE HOSPITAL

\$3M

Providing the Fulton State Hospital with a new 15-bed inpatient unit and a team of clinicians to address the complex clinical and behavioral challenges posed by individuals with developmental disabilities requiring inpatient psychiatric care.

PRESCRIPTION DRUG MONITORING PROGRAM

\$2.5M

Implementing the Prescription Drug Monitoring Program established through Senate Bill 63 in 2021, in an effort to combat the Opioid Crisis.



HOME AND COMMUNITY BASED SERVICES

\$56.3M

Expanding the amount of services per client and number of eligible individuals utilizing home and community based services. This ensures that citizens needing these services will be able to access the support they need while continuing to live in their homes.

DEVELOPMENTAL DISABILITY AND BEHAVIORAL HEALTH UTILIZATION

\$50M

Providing residential services and in-home support to 1,697 new individuals with developmental disabilities and 960 new individuals with behavioral health needs.

AREA AGENCIES ON AGING

\$26.2M

Expanding meals and other supportive services provided by Area Agencies on Aging.

DEVELOPMENTAL DISABILITIES CASE MANAGEMENT PRIVATIZATION

\$7.6M

Shifting 2,200 individuals with developmental disabilities to privatized case management. This will reduce the overall client ratio per case manager for state employed and private case managers allowing for more effective case management.

SMOKING CESSATION

\$2.5M

Developing a youth vaping prevention campaign and tobacco prevention and cessation programs to reduce tobacco use and improve overall health outcomes.

BEHAVIORAL HEALTH FACILITIES' COVID-19 RESPONSE

\$1.2M

Expanding dedicated testing and mitigation resources for people with mental health and substance use disorders through community providers.

YOUTH BEHAVIORAL HEALTH LIAISONS

\$420,000

Funding four Youth Behavioral Health Liaisons to collaborate with schools, the juvenile justice system, and the Department of Social Services Children's Division, to ensure youth are connected to appropriate community treatment and to help improve outcomes for at-risk youth.



DISTRIBUTING COVID-19 VACCINES

Missouri's COVID-19 response continued through 2021 with the rollout of several vaccines to provide protection from the virus. Partners in state government and the private sector worked tirelessly to ensure that vaccines are available to every Missourian who wants one. Today, more than 94 percent of Missourians 65 and older, our most vulnerable population, have received protection from COVID-19, and nearly 75 percent of Missourians 18 and older have received a vaccine.

This progress would not have been possible without the dedicated public servants at the Department of Health and Senior Services; State Emergency Management Agency; the Missouri National Guard; Department of Public Safety; doctors, nurses, and health care professionals; and thousands of local partners.

The Missouri National Guard helped lead state vaccine operations. Guard members assisted with food distribution, constructed an alternate care site, and worked around the clock to make sure personal protective equipment shipments, testing sites, and vaccination sites ran smoothly. Missouri National Guard members answered the call without hesitation or delay.

We are also grateful for local partners, including the Urban League of Metropolitan St. Louis and Morning Star Missionary Baptist Church in Kansas City, for their bold and heroic actions throughout the pandemic. With these trusted partners aiding targeted vaccination sites, we were able to get hundreds of thousands among our most vulnerable populations in Kansas City and St. Louis vaccinated.



INFRASTRUCTURE

Maintaining our state's roads, bridges, and waterways is critical to ensuring we have the framework for success in the future, and while outstanding progress has been made in recent years, there is still more work to be done. Governor Parson's budget reflects his continued commitment to revitalizing our state's infrastructure, calling for key investments in transportation, public transit, airports, and rural broadband. These investments will help strengthen Missouri's infrastructure system, which serves as a lifeline for transportation across the nation.

BROADBAND GRANTS

\$56.2M

Strengthening current grants to help providers, communities, counties, and regions invest in building broadband infrastructure in rural and underserved areas of the state. This funding is in addition to the broadband investment under the American Rescue Plan Act.

TRANSPORTATION COST-SHARE

\$75M

Continuing the cost-share program, which provides financial assistance to public and private applicants for public road and bridge projects. The program matches up to 50 percent of the construction contract costs for selected projects. The Missouri Departments of Transportation and Economic Development select the projects with the goal of building partnerships with local entities to deliver road and bridge projects that have the greatest economic benefit to the state.

RURAL ROUTES

\$100M

Funding for a total of 1,250 low-volume route miles across the state.

INVESTMENT IN TRANSPORTATION

\$160M

Delivering efficient and innovative transportation projects to improve Missouri's roads and bridges and move Missourians safely.

PUBLIC TRANSIT

\$12.9M

Providing financial and technical assistance to public transit and specialized transit providers across the state, carried out through state and federal programs for both general public transportation and programs serving seniors and people with disabilities.

A STORY OF *Success*

BUCK O' NEIL BRIDGE

Construction on the long-awaited Buck O'Neil Bridge began last year. Honoring the esteemed hall of famer John Jordan "Buck" O'Neil, this bridge provides vital connection between the northland and downtown Kansas City and is used by more than 50,000 people each day.

Governor Parson is committed to addressing Missouri's serious infrastructure needs. During his first year in office, Governor Parson created the "Focus on Bridges" program to repair or replace hundreds of the state's worst bridges. Missouri has nearly 10,400 bridges – the seventh most in the nation. More than 800 of these bridges are in poor condition and 963 are weight restricted.

In the first year of the program, Missouri replaced 100 bridges and is on track to replace 250 by 2023. Not only did the program fix hundreds of poor bridges throughout the state, it also freed up funding to deliver additional high-priority transportation projects, like the Buck O'Neil Bridge. Bridges are vital to safe transportation, and the Buck O'Neil Bridge in particular will help keep everyone in the Kansas City area moving safely and the local economy growing for the next 100 years.

REST AREA RENOVATIONS

\$4.2M

Renovating and expanding easy-to-access amenities to serve travelers.

FREIGHT ENHANCEMENT

\$2.3M

Supporting non-highway freight-focused capital improvement projects to increase the use of waterways, rail, and air transportation of freight.

AIRPORT ASSISTANCE

\$2.2M

Increasing assistance to airports statewide to prevent, prepare for, and respond to the pandemic.

MAPPING CRITICAL MINERALS

\$134,000

Expanding the Geologic Mapping Program and accelerating efforts to complete detailed geologic mapping and geochemical analyses with the potential to locate undiscovered critical mineral reserves.





GOVERNMENT REFORM

Governor Parson and his Cabinet remain committed to making state government more efficient and accountable by investing in our workforce, incentivizing better performance, and regularly reassessing how we work to better serve Missourians. As public servants, it is our responsibility to provide reliable and responsive service to the people of Missouri. Governor Parson's budget reflects his continued support for state team members and the need to invest in state government to meet the demands of the future.

A STORY OF *Success*

OFFICE OF CHILDHOOD

In 2021, Governor Parson and the Departments of Elementary and Secondary Education, Health and Senior Services, and Social Services announced the consolidation of several early childhood programs across state government into a single Office of Childhood. The new Office provides a comprehensive and streamlined approach to early childhood care and education, including all state programs related to child care, home visiting, early learning, and early intervention.

We know that children enrolled in high-quality early learning programs achieve greater success in school and have improved health and lower crime rates as adults. To finish strong – with a capable future workforce – we must provide children with a strong start.

Missouri families deserve the best early childhood system our state can provide, and this new Office cuts through bureaucracy to ensure all Missouri children and families have access to more consistent, quality programs and services.

INVESTING IN OUR WORKFORCE

\$228M

Providing a pay increase for state team members to keep pace with Missouri's labor market and to improve recruitment and retention.

CASH OPERATING EXPENSE FUND

\$281M

Setting aside 2.5 percent of prior year net general revenue collections to achieve greater financial stability and help maintain a strong fiscal position when budget declines occur.

BOND DEBT REPAYMENT ACCELERATION

\$100M

Paying off outstanding bond debt resulting in total savings of \$148 million to taxpayers and helping ensure a fiscally conservative budget.

MO HEALTHNET ELIGIBILITY REDETERMINATIONS

\$16.8M

Ensuring program integrity and that citizens enrolled in MO HealthNet are eligible for services at the end of the federal Public Health Emergency.

MOTOR VEHICLE AND DRIVER'S LICENSE CUSTOMER SERVICE REPRESENTATIVES

\$564,000

Hiring additional staff to oversee motor vehicle and driver licensing in order to ensure continuous services are provided by local license offices.

COMMERCIAL DRIVER'S LICENSE MODERNIZATION

\$149,000

Modernizing and streamlining Missouri's motor vehicle and driver licensing process for commercial drivers by offering electronic submission of medical forms.



MISSOURI STATE EMPLOYEE RETIREMENT SYSTEM (MOSERS) STATE PENSION

\$500M

Providing an extraordinary payment to MOSERS in addition to annual contributions. This will decrease future state employer contribution rates, future need for general revenue, and is projected to increase the funding ratio of the pension system to 63.2 percent.

MISSOURI STATE EMPLOYEE RETIREMENT SAVINGS INCENTIVE

\$11.6M

Incentivizing state team members to save for retirement by providing an additional benefit of up to \$25 per month for making a matching contribution to the MOSERS Deferred Compensation Program.

SOCIAL SERVICES CENTRALIZED MAIL MODERNIZATION

\$8.3M

Allocating funds for centralizing mail services through a contracted vendor; providing customers with self-service kiosks at Department of Social Services field locations to assist with various benefit programs; automating the identification and initial processing of documents received from stakeholders; and developing a mobile app to allow participants to check benefits, application status, review notices, and report changes.

TALENT MANAGEMENT

\$4.3M

Dedicating funds for statewide workforce recruitment and retention technologies used to deliver statewide human resources and talent management to all branches of state government.

REWARDS AND RECOGNITION

\$7.2M

Providing additional incentives for exceptional performance by allowing the top 10 percent of state employees in each department to expand their professional development opportunities through education, training, credentials, job shadowing, and peer learning experiences.

OPERATIONAL EXCELLENCE LEADERS

\$1.2M

Ensuring our state agencies are providing the most efficient, effective, and customer oriented services by establishing an operational excellence leader to guide the development and delivery of continuous improvement and performance management programs across Missouri's 16 state agencies.

LEADERSHIP ACADEMY 2.0

\$650,000

Establishing a competitive program to help cross-train the next set of state leaders. Leadership Academy 2.0 participants will work in a different agency for a period of six months and will learn more about how to deliver high-quality performance, promote continuous improvement, improve accountability, and to further develop leadership skills.



CELEBRATING STATEHOOD

This year marked the 200th anniversary of Missouri's entry as the 24th state in the Union. To celebrate this milestone, Governor Mike Parson and First Lady Teresa Parson joined Missourians in celebrations across the state throughout the year. The Missouri Bicentennial Commission, created by Governor Parson's Executive Order 18-07 in 2018, worked with the State Historical Society of Missouri to commemorate the Missouri bicentennial and honor our state and its rich history. Governor Parson also signed a proclamation declaring August 10, 2021, to be "Bicentennial Statehood Day" in Missouri in celebration of Missouri's past, present, and future.



“As we celebrated the 200th anniversary of our state in 2021, we were reminded of the dedication, passion, and love so many people have for Missouri. Missourians work hard every day to continue building on the strong foundation that has made our state a great place to live, work, and raise a family. From our rural areas to the big cities, Missouri offers so much to so many, and the story of our state is one to be remembered, shared, and celebrated.”

— Governor Mike Parson



“

When I returned to Missouri from serving in the military, I said I would never leave this state. Missouri will always be my home. God bless Missouri and all its citizens!

—Governor Mike Parson